

Surplus reserves with CPSEs

***198. SHRI CHITTABRATA MAJUMDAR:
SHRI TAPAN KUMAR SEN:**

Will the Minister of FINANCE be pleased to state:

- (a) whether the Central Public Sector Enterprises (CPSEs) have reserve and surplus of more than Rs. 3 lakh crore;
- (b) if not, the actual reserve and surplus as on 31st March, 2006;
- (c) whether debt equity ratio of 80:20 has been permitted to private sector for new projects in the country;
- (d) if so, whether the same would be permitted to CPSEs also; and
- (e) if so, the maximum resources which can be mobilized from debt market by the CPSEs against above reserves?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) and (b) As per the latest issue of Survey of Public Enterprises, as on 31.3.2005, all 237 CPSEs taken together had reserves and surplus of Rs. 3.10 lakh crore.

- (c) At present, all credit related matters of commercial banks are deregulated by the Reserve Bank. As such, no debt-equity ratio has been prescribed for credit extended by the banks to public/private enterprises.
- (d) Does not arise.
- (e) The extent and quantum of debt which CPSEs employ for financing their investment plans depends on a number of factors, which, *inter alia*, include internal generation of resources, capacity and scope for new investment, financial viability of the project, nature of the sector, commercial decision of management etc. Hence the level of reserves alone cannot determine the maximum resources which can be mobilized from the debt market.